Government of Saskatchewan

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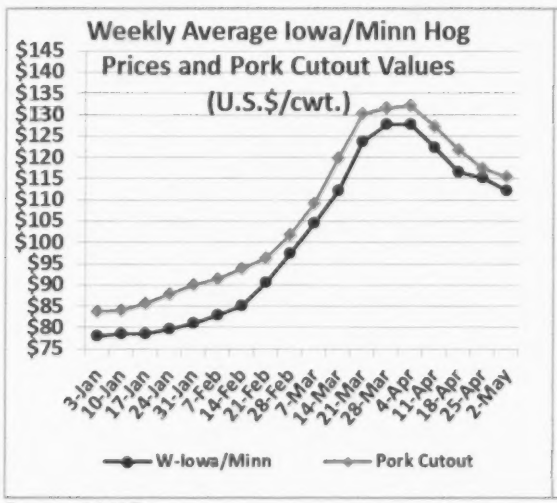
Weekly Hog Report

May 5, 2014

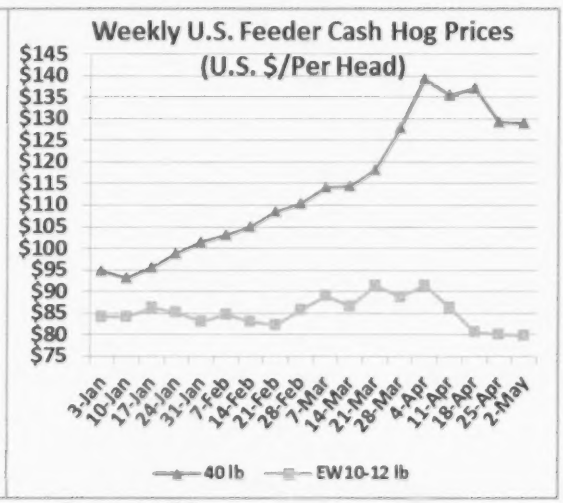
Over the last week there was one new case of **Porcine Epidemic Diarrhea (PED)** identified in hog barn and it was in Ontario. There are currently 58 cases confirmed in hog barns in Ontario, one in Manitoba, one in PEI, and also one in Quebec for a total of 61 PED cases confirmed in hog barns in Canada.

Cash Feeder Hog Prices

Last week North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices edged lower. Weighted average cash prices for iso-weans (12lb) were US$79.74 per head, down US$0.36 per head from US$80.10 per head the previous week. Feeders (40lb) were US$128.82 per head, down US$0.32 per head from US$129.14 per head the previous week.



Source: LMIC



Source: LMIC

Cash Slaughter Weight Hog Prices

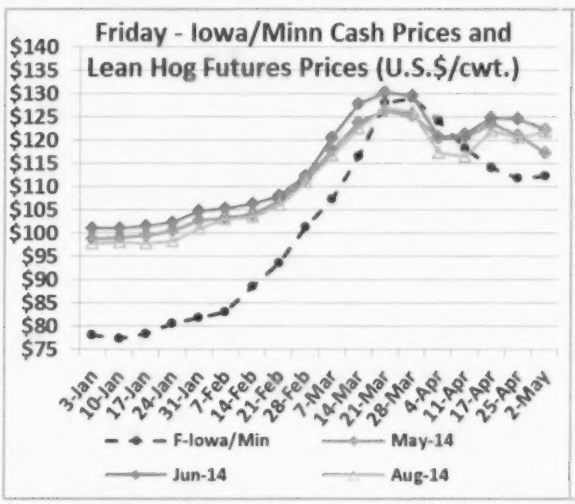
United States daily average cash hog prices had a better week after three weeks with significant declines. The daily average price over the week ranged from US$111.05 per cwt to US$112.79 per cwt. Hog prices (Iowa/Minn) on Friday averaged US$112.22 per cwt, up US$0.52 per cwt or 0.5 per cent from US$111.70 per cwt the previous Friday. The negotiated base price for the week averaged US$112.08 per cwt, down US$3.13 per cwt or 2.7 per cent from US$115.21 per cwt the previous week.

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday May 2, 2014 was $225.09 per ckg, down $8.36 per ckg or 3.6 per cent from $233.45 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $224.93 per ckg, down $7.87 per ckg or 3.4 per cent from the previous weeks' average price of $232.80 per ckg. The Canadian dollar rebounded last week closing the week Friday at 91.07 cents, up 0.46 cents from the previous Friday's close of 90.61 cents.

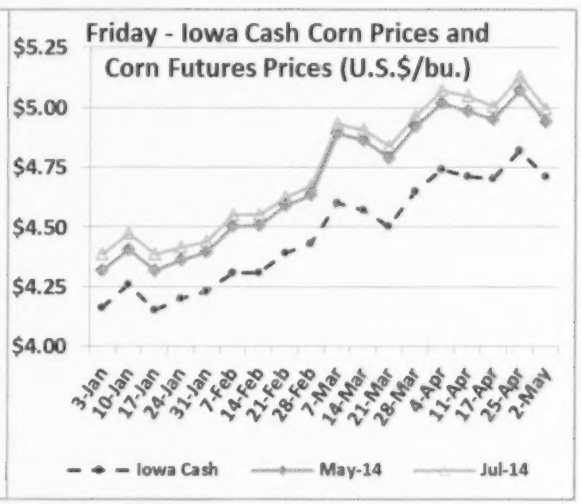
Futures Markets

Lean hog futures prices were mixed last week with most losses coming in the nearby months. The May-to-August 2014 lean hog futures contracts ranged from US$3.70 per cwt lower to US$1.20 per cwt higher last week. The nearby May lean hog futures contract again had the largest decline at US$3.70 per cwt to settle Friday at US$117.225 per cwt. The Friday Iowa/Minn average daily cash price was US$112.22 per cwt, US$4.895 per cwt lower than the May's lean hog futures price.

Prices for other United States nearby commodity futures were higher for wheat and gold, but lower for corn, soybeans and crude oil, week-over-week.



Source: CME



Source: CME

Iowa cash corn prices and the nearby corn futures were lower over the week. The Iowa cash price on Friday was US$4.71 per bushel, down 11 cents from US$4.82 per bushel the previous Friday. The May corn futures contract was down 13 cents to settle Friday at US$4.94 per bushel, while the July contract was down just over 13 cents to settle Friday at $4.995 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week for the week ending May 3 were estimated at 2.019 million head, up 1.0 per cent from 1.999 million head a week ago, but down 3.4 per cent from 2.091 million head from the same week a year ago. U.S. hogs slaughtered over the last four weeks ending May 3 averaged 2.009 million head, down 4.9 per cent from 2.114 million head the same four week period a year ago. Dressed hog weights continue to be higher and were 215 lb. last week, about 8 lb. or 3.9 per cent higher than year ago hog weights.

In Canada, federal and provincial hog slaughter numbers for the week ending April 26, 2014 were estimated at 369,924 head, up 3.1 per cent from 358,900 head the previous week, but down 7.6 per cent from 400,454 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending April 26 were estimated to average 380,808 head, down 4.5 per cent from 398,682 head over the same period a year ago.

In Western Canada, federal and provincial hog slaughter numbers for the week ending April 26, 2014 were estimated at 161,724 head, up 16.8 per cent from 138,508 head the previous shorter week, but down 2.6 per cent from 166,012 head the same week a year ago. Western Canadian hogs slaughtered over the last four weeks ending April 26 were estimated to average 158,349 head, down 5.8 per cent from 168,191 head over the same period a year ago.

Meat Production

U.S. pork production for the week ending May 3 was estimated at 435.3 million lb., up 1.3 per cent from 429.9 million lb. the previous week, and up 0.7 per cent from 432.4 million lb. the same week a year ago. Pork production over the last four weeks ending May 2 was estimated to average 433.1 million lb., down 1.2 per cent from 438.5 million lb. over the same four week period a year ago.

U.S. beef production for the week ending May 3 was estimated at 480.6 million lb., up 3.8 per cent from 462.8 million lb. the previous week, but down 0.5 per cent from 482.8 million lb. over the same week a year ago.

For the week ending April 26, U.S. production of chicken was estimated at 902.7 million lb., up 4.8 per cent from 861.0 million lb. the previous week, and up 1.1 per cent from 892.5 million lb. during the same week a year ago.

Turkey production for the same week was estimated at 128.6 million lb., up 19.8 per cent from 107.3 million lb. the previous week, and down 5.5 per cent from 136.0 million lb. during the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending April 26, 2014, was estimated at 1.911 billion lb., down 1.7 per cent from 1.945 billion lb. over the same four weeks a year ago.

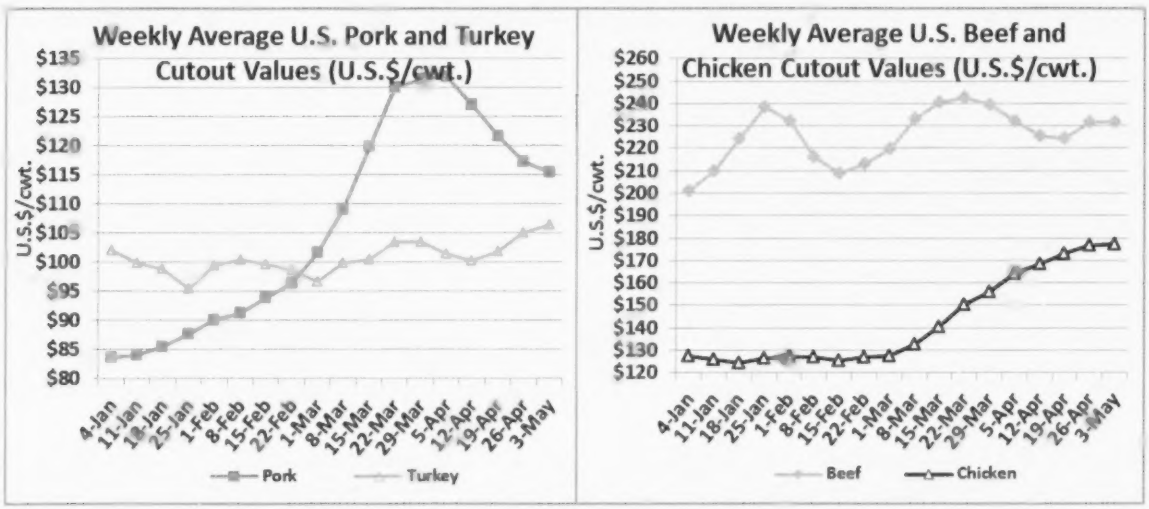
Cutout Values

The U.S. pork cutout values for the week ending May 3, 2014 averaged US$115.41 per cwt, down US$1.94 per cwt or 1.7 per cent from US$117.35 per cwt from the previous week, but up 31.9 per cent from US$87.50 per cwt the same week a year ago. Lower pork cutout values over the last four weeks have weighed on hog prices. Strong export markets will be a key factor in sustaining high pork prices into the summer.

Average beef cutout values (Choice 600-900 lb.) for the week ending May 3 averaged US$231.87 per cwt, down only a few cents from US$231.91 per cwt from the previous week, but up 16.8 per cent from US$198.59 per cwt the same week a year ago.

Chicken values (breasts) for the week ending May 3, 2014 averaged US$177.01 per cwt, up US$0.63 per cwt from US$176.38 per cwt the previous week, but down 0.9 per cent from US$178.53 per cwt the same week a year ago. Chicken prices have increased noticeably over the last few weeks.

Turkey (hens) values for the week ending May 3, 2014 averaged US$106.45 per cwt, up US$1.34 per cwt from US$105.11 per cwt the previous week, and up 10.4 per cent from US$96.45 per cwt the same week a year ago. (Source: LMIC)



Pork cutout values have declined over the last few weeks while beef cutout values have been steady to slightly higher. Chicken cutout values have continued to trend higher since early March. The spread between pork and chicken is close to the long-term average price spread while beef continues to be priced higher and still is above the long-term price spread with both pork and chicken.

Market News

France has recently announced a ban on imports of live pigs and boar semen from the United States, Canada, Mexico and Japan; to help guard against the porcine epidemic diarrhea virus. http://www.thepigsite.com/swinenews/36506/france-bans-imports-of-pigs-semen-from-four-countries-citing-ped-risk

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